DRAFT

STATEMENT OF LEGAL AND FACTUAL BASIS

CPFilms, Inc.
P. O. Box 5068, Martinsville, VA 24115
Permit No. WCRO-30294

Title V of the 1990 Clean Air Act Amendments required each state to develop a permit program to ensure that certain facilities have federal Air Pollution Operating Permits, called Title V Operating Permits. As required by 40 CFR Part 70 and 9 VAC 5 Chapter 80, CPFilms, Inc. has applied for a Title V Operating Permit renewal for its solar controlled window film manufacturing plant in Fieldale. The Department reviewed the application for permit renewal and prepared a draft/proposed Title V Operating Permit.

| Engineer/Permit Contact: | | Date: | |
|--------------------------|-----------------------------|-------|--|
| _ | Paul R. Jenkins | | |
| | Permit Engineer | | |
| | 540-562-6822 | | |
| | | | |
| | | | |
| | | | |
| Air Permit Manager: | | Date: | |
| <u> </u> | Michael J. Scanlan, Ph.D. | | |
| | Regional Air Permit Manager | | |

CPFilms, Inc.
Permit No.: WCRO-30294
Statement of Basis DRAFT
Page 2 of 11

FACILITY INFORMATION

Permittee

Solutia Inc. P.O. Box 66760 St. Louis, MO 63166-6760

Responsible Official

Keith Dalton, Vice President, Operations

Operator

CPFilms, Inc. P.O. Box 5068 Martinsville, VA 24115

Facility

CPFilms, Inc. – Fieldale Plant 4210 The Great Road Fieldale, VA 24089

Contact Person

Lindsay Vergara, Environmental Specialist 276-627-3475

County-Plant Identification Number: 51-089-0035

First Renewal of Title V Operating Permit

SOURCE DESCRIPTION

NAICS Code: 322222 – Coated and Laminated Paper Manufacturing. SIC Code 2672 – Coated and Laminated Paper.

This facility was constructed in 1976. The facility was owned by Martin Processing Inc. and then Courtaulds Performance Films (now CPFilms, Inc.) The current parent company of CPFilms, Inc. is Solutia, Inc.

CPFilms, Inc.
Permit No.: WCRO-30294
Statement of Basis DRAFT
Page 3 of 11

The facility has four (Dye Line 2 was removed from the facility) continuous polyester film dye lines that are used to dye the film prior to further processing at the CPFilms Fieldale facility or being sold to other window film product manufacturers. Dye lines 1, 3 and 4 (EU01, EU03 and EU04) consists of the following devices: an unwinding station, dye mixing tank, heated ethylene glycol (EG) dye bath, N-Methyl-2-Pyrrolidone (NMP) wash bath, two water wash baths, a dryer and a rewinding station. The dispersive powdered dyes are mixed in EG tanks and pumped to the dye bath. The web film passes through the heated dye bath where the dye penetrates the film. The EG emissions from the dye bath are collected by exhaust hoods. The captured EG emissions are recovered for reuse by the EG recovery system; the EG recovery system consists of a pre-cooler in series with a Brinks mist eliminator and storage tanks. Dye Lines 1, 3 and 4 (EU01, EU03 and EU04) are existing sources and were constructed prior to the time that permits were issued for construction. These three lines are subject to 9 VAC 5-60-200 et seq (Emission Standards for Toxic Pollutants from Existing Sources).

Dye Line 7 (EU07) is similar to Dye Lines 1, 3 and 4 except that the dye baths, NMP wash and water tanks and the thermal dryer are located inside a permanent total enclosure. The NMP emissions are routed to a wet scrubber. EU07 is subject to 9 VAC 5-60-300 et seq (Emission Standards for Toxic Pollutants from New and Modified Sources).

Following the dye bath the film is washed in NMP and two subsequent water baths to remove the excess dyes. The NMP baths, water wash baths and dryers for the film processed through Dye Lines 1, 3 and 4 do not have exhaust hoods or VOC emissions control devices. The NMP emissions are vented through the building's roof and wall vents. After rinsing the film is dried; the dryer's burner is rated at 1.2 MMBtu/hr and operates on propane.

The facility has ten coating lines – EU 24, 26, 27, 28, 29, 30, 31, 32, 33 and 34. All of the coating lines utilize capture and control except EU27 and EU31. EU27 uses coatings that do not contain HAPs and EU31 uses low HAP coatings.

The facility is a Title V major source due to actual VOC emissions exceeding 100 tons/yr and actual individual HAPs exceeding 10 tons/yr and combined HAPs exceeding 25 tons/yr.

MACT, 40 CFR 63 Subpart JJJJ, applies to the coating lines at the facility; the dye lines are not subject to MACT JJJJ because that MACT does not cover dyeing. MACT, 40 CFC 63 Subpart OOOO does not apply because it covers the coating and dyeing of fabric, not film.

The source is located in a Prevention of Significant Deterioration area as designated in 9 VAC 5-20-205, and is a PSD major source (VOC). None of the NSPS regulations apply to the facility.

The facility has the following permits:

CPFilms, Inc. Permit No.: WCRO-30294 Statement of Basis DRAFT Page 4 of 11

| October 15, 2004 | State Operating Permit | EU07 |
|------------------|------------------------|---------------|
| June 14, 1989 | NSR Minor | EU28 |
| July 20, 2007 | NSR Minor | EU29 and EU30 |
| June 8, 1994 | NSR Minor | EU31 |
| January 30, 1997 | NSR Minor | EU32 and EU33 |
| June 23, 2000 | NSR Minor | EU34 |

The original Title V operating permit was issued on September 21, 2001. The original permit will be replaced with this first renewal. The applicant submitted a timely and complete Title V permit application for a renewal, which extends the terms of the current Title V permit until renewal.

COMPLIANCE STATUS

The facility was determined to be in compliance during its last inspection on September 6, 2007.

EMISSION UNIT AND CONTROL DEVICE IDENTIFICATION

The emission units at this facility consist of the following:

| | | at this facility consist of the | | | | |
|------------|-------|--|------------------|--|-------------------------|---------------------|
| Emission U | Stack | Emission Unit Description | Size/Rated Capac | Pollution Control Device (PCD) Descrip | Pollutant Controlled | Applicable Permit D |
| Process U | nits | | | | | |
| 01 | 01 | Dye Line No. 1 | 45,000 ft²/hoi | | | |
| 03 | 03 | Dye Line No. 3 | 55,000 ft²/ho | | | |
| 04 | 04 | Dye Line No. 4 | 78,000 ft²/hoi | | | |
| 05 | 05 | Eclipse Lookout Boiler (Na Gas) | 10 MMBtu/hr (ii | | | |
| 07 | 07a & | Dye Line No. 7 | 74,000 ft²/ho | CPFilms custom design Ethylene Glyco Recovery System w/ precooler and mist eliminator. Bionomics ScubPac Proclea 15,000 Packed-Bed Scrubber | VOC & H | October 15, 2004 |
| 24 | 24/ | Faustel/Inta-Roto coating/laminating machine | 90,000 ft²/ho | MegTec RTO CS-300 | VOC & H | |
| 26 | 24/2 | Faustel coating/laminating machine | 90,000 ft²/ho | MegTec RTO CS-300 | VOC & H | |
| 27 | 27a & | Faustel UV coating machine | 90,000 ft²/ho | - | - | |
| 28 | 28 | Faustel coating/laminating machine | 90,000 ft²/ho | Combustion Engineering/ABB, Cor-Pak 8000, direct flame afterburner | VOC & H | June 14, 1989 |
| 29 | 29 | Faustel UV Coating /Lamin Machine | 90,000 ft²/ho | TEC Grace Systems, Quantum | VOC & H | July 20, 2007 |
| 30 | 30 | Faustel Silicone Coating Machine | 90,000 ft²/ho | Combustion Engineering/ABB, Cor-Pak 8000, direct flame afterburner | VOC & H | July 20, 2007 |
| 31 | 31 | Faustel coating (UK-3) mac | 112,000 ft²/hc | | | June 8, 1994 |
| 32 | 32 | Lembo coating machine | 90,000 ft²/ho | TEC Grace Systems, Shadow | VOC & H | January 30, 1997 |

CPFilms, Inc. Permit No.: WCRO-30294 Statement of Basis DRAFT

Page 6 of 11

| Emission U | Stack | Emission Unit Description | Size/Rated Capac | Pollution Control Device (PCD) Descrip | Pollutant | Applicable Permit D |
|------------|-------|------------------------------------|------------------|--|------------|---------------------|
| | | Emission Omit Description | | | Controlled | |
| | | | | | HAP | |
| 33 | 33 | Faustel coating/laminating machine | 111,000 ft²/ho | TEC Grace Systems, Magnum | VOC & E | January 30, 1997 |
| 34 | 34 | Faustel coating/laminating machine | 111,000 ft²/ho | MegTec RTO, Enterprise | VOC & F | June 23, 2000 |

EMISSIONS INVENTORY – Actual Emissions

Actual plant emissions for calendar year 2006 are summarized as follows:

| 2006 Actual Pollutant Emissions in Tons per Year | | | | | | | |
|--|--|-----|-------|------|---|--------|--|
| | CO Ethylene Glyco NO ₂ PM ₁₀ Toluene VOC | | | | | | |
| | | | | | | | |
| TOTAL | 0.53 | 138 | 0.806 | 0.01 | 1 | 210.03 | |

NSPS, MACT, and CAM APPLICABILITY

NSPS – The NSPS regulations do not apply to any of the equipment at this facility.

<u>MACT</u> – MACT, 40 CFR 63 Subpart JJJJ, applies to the coating lines because MACT JJJJ covers coating operations. MACT, 40 CFC 63 Subpart OOOO does not apply because it covers the coating and dyeing of fabric, not film.

<u>CAM</u> – Compliance Assurance Monitoring. CAM applies to Dye Bath 7 (EU07). CAM applies because the Pollutant Specific Emissions unit (PSEU) is 1) subject to an emissions limit 2) uses a control device to achieve compliance, and 3) has potential pre-control emissions that exceed or are equivalent to the major source threshold. The coating lines meet the same criteria, however, they are subject to MACT JJJJ and the compliance requirements for that MACT are at least as stringent as the CAM requirements.

The CAM regulation (40 CFR Part 64.1) exempts *Inherent process equipment* from being applicable to the regulation. Although condensers can be considered inherent process equipment, the condensers at this facility do not meet the definition of inherent process equipment because the source installed and operated the equipment primarily for the purpose of compliance with air pollution regulations.

CHANGES TO PLANT

This permit renewal incorporates conditions from the October 15, 2004 State Operating Permit for the installation and operation of Dye Line 7 (EU07).

CHANGES TO PERMIT

- 1. Replaced "Director" with "Air Compliance Manager" for reporting.
- 2. Updated permit language by using the current Title V permit boilerplate.
- 3. Included the CAM Plan.
- 4. The initial Title V permit required weekly visible emission evaluations (VEE) and monthly VEE if the source compiled six months of VEE showing compliance. This permit allows monthly VEE unless any VEE exceeds the permit limits. If the facility exceeds a visible emissions limit then the facility must conduct weekly VEE on that piece of equipment, until they compile six months of VEE showing compliance.
- 5. Included changes that were incorporated in the facility's State Operating Permit.

REPORTING

- <u>Annual Title V Compliance Certifications</u> -The permittee shall submit calendar year Title V Compliance Certifications by <u>March 1</u> of each year to the DEQ and to the EPA.

CPFilms, Inc.
Permit No.: WCRO-30294
Statement of Basis DRAFT
Page 8 of 11

- <u>Semi-Annual Title V Reports</u> The permittee shall submit semi-annual Title V Reports by <u>March 1</u> and <u>September 1</u> of each year to the DEQ. The time periods to be addressed are January 1 to June 30 and July 1 to December 31.
- <u>CAM Compliance Reports</u> The source will meet CAM reporting requirements by incorporating any CAM compliance issues into the Title V reports. The October 22, 1997 Federal Register (Page 54938) explains that the EPA did not intend to create a separate compliance certification requirement for CAM.
- <u>Malfunction or Deviation Reports</u> The permittee shall report to the DEQ within 4 daytime business hours after the discovery of any <u>malfunction</u> and any <u>deviation</u> from permit requirements that may cause excess emissions for more than one hour. A written statement with the pertinent information shall be submitted to DEQ within 14 days of discovery.

GENERAL CONDITIONS

The permit contains general conditions required by 40 CFR Part 70 and 9 VAC 5-80-110 that apply to all Federal-operating permitted sources. Selected requirements are noted below.

B. Permit Expiration

This condition refers to the five year permit term, to the permittee's responsibility to apply for renewal, to the Board taking action on a permit application, and to the prior terms and conditions remaining in effect until the renewal is issued or denied. The Board is the State Air Pollution Control Board. The authority to take action on permit application(s) has been delegated to the Regions as allowed by §2.1-20.01:2 and §10.1-1185 of the *Code of Virginia*, and the "Department of Environmental Quality Agency Policy Statement No. 3-2001".

J. Permit Modification

This general condition cites the sections that follow:

9 VAC 5-80-50. Applicability, Federal Operating Permit for Stationary Sources

9 VAC 5-80-190. Changes to Permits

9 VAC 5-80-260. Enforcement

9 VAC 5-80-1100. Applicability, Permits for New and Modified Stationary Sources

9 VAC 5-80-1790. Applicability, Permits for Major Stationary Sources and Modifications Located in Prevention of Significant Deterioration Areas

U. Malfunction as an Affirmative Defense

The Virginia Regulations for the Control and Abatement of Air Pollution contain two reporting requirements for malfunctions that coincide. The reporting requirements are listed in sections 9 VAC 5-80-250 and 9 VAC 5-20-180. The malfunction requirements are listed in General Condition U and

CPFilms, Inc.
Permit No.: WCRO-30294
Statement of Basis DRAFT
Page 9 of 11

Condition U and General Condition F.

This condition cites the sections that follow: 9 VAC 5-20-180. Facility and Control Equipment Maintenance or Malfunction 9 VAC 5-80-110. Permit Content

Y. Asbestos Requirements

The Virginia Department of Labor and Industry under Section 40.1-51.20 of the Code of Virginia also holds authority to enforce 40 CFR 61 Subpart M, National Emission Standards for Asbestos.

This general condition contains a citation from the Code of Federal Regulations that follows: 40 CFR 61.145, NESHAP Subpart M. National Emissions Standards for Asbestos as it applies to demolition and renovation.

40 CFR 61.148, NESHAP Subpart M. National Emissions Standards for Asbestos as it applies to insulating materials.

40 CFR 61.150, NESHAP Subpart M. National Emissions Standards for Asbestos as it applies to waste disposal.

STATE ONLY APPLICABLE REQUIREMENTS

The source requested that the State Only applicable requirements that are in the underlying State Operating Permit not be included in the Title V permit.

FUTURE APPLICABLE REQUIREMENTS

None

INAPPLICABLE REQUIREMENTS

40 CFR 60 Subpart IIII (the NSPS) contains standards for stationary engines. 40 CFR 60.4200 states the NSPS applies to engines manufactured after April 1, 2006. If CPFilms adds engines at a later date, these engines may be subject to the NSPS. 40 CFR 63 Subpart ZZZZ (RICE MACT) contains standards for stationary engines. This MACT does not currently apply to CPFilms, however, depending on future equipment installations this MACT could apply in the future.

The startup, shut down, and malfunction opacity exclusion listed in 9 VAC 5-40-20 A 3 (for pre-1972 existing emission units) cannot be included in any Title V permit because this portion of the regulation is not part of the federally approved state implementation plan (SIP). The opacity standard applies to existing sources at all times including startup, shutdown, and malfunction. An opacity exceedance during a malfunction can be affirmatively defended provided all requirements of the affirmative defense section of this permit are met. An opacity exceedance during startup and shut down will be reviewed with enforcement discretion using the requirements of 9 VAC 5-40-20 E, which state that "At all times,

CPFilms, Inc.
Permit No.: WCRO-30294
Statement of Basis DRAFT
Page 10 of 11

requirements of 9 VAC 5-40-20 E, which state that "At all times, including periods of startup, shutdown, soot blowing and malfunction, owners shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with air pollution control practices for minimizing emissions."

In contrast, the similar startup, shut down, and malfunction opacity exclusion listed in 9 VAC 5-50-20 A 4, for emissions units that are new or modified since 1972, is SIP approved and therefore applies to such emissions units. Since the dye baths were installed after 1972, the existing source opacity exclusion is not applicable for any equipment at this facility.

Annual emissions of VOCs for EU28, 29, 30, 31, 32, 33 and 34 are less than half of the individual emission limits. Therefore, based on Agency Guidance (2-16-2007 APMG Meeting), once per permit term testing is not required for the control devices associated with these lines.

COMPLIANCE PLAN

This facility is not subject to a compliance plan.

INSIGNIFICANT EMISSION UNITS

| EMISSION NO. | Emission Unit Description | Citation | Pollutant(s) Em | Rated Capacity |
|--------------|---|----------------|------------------|----------------|
| 35 | Space Heaters | 9 VAC 5-80-720 | Criteria Polluta | |
| 36 | Lab hoods (Plant 1) | 9 VAC 5-80-720 | VOCs | |
| 37 | Peerless natural gas fired boiler (Plant | 9 VAC 5-80-720 | Criteria Polluta | 1.8 MMBtu/hr |
| 38 | (4) Sputtering machines & (1) Pilot Ur (Plant 1) | 9 VAC 5-80-720 | None | |
| 39 | Pilot dye line with electric dryer (Plant | 9 VAC 5-80-720 | VOCs | |
| 41 | (2) Hot melt glue application units on Boxing Lines (Plant 1) | 9 VAC 5-80-720 | VOCs | |
| 42 | Natural gas fired industrial air stream l Rewind Area (Plant 1) | 9 VAC 5-80-720 | Criteria Polluta | 0.714 MMBtu/hr |
| 43 | Pilot laminators with gas dryers | 9 VAC 5-80-720 | VOCs, NOx, (| |
| 44 | (2) Emergency diesel fired generator | 9 VAC 5-80-720 | Criteria Polluta | 125 kw |
| 44 | (2) Diesel fuel storage tank | 9 VAC 5-80-720 | VOCs | 200 gallons |
| 45 | Propane storage tank (Plant 1) | 9 VAC 5-80-720 | VOCs | 1,000 gallons |
| 46 | (2) Natural gas fired industrial air strea heaters Master Service Area (Plant 1) | 9 VAC 5-80-720 | Criteria Polluta | 1.26 MMBtu/hr |

| EMISSION | | | Pollutant(s) Em | |
|----------|--|----------------|--------------------|---------------------|
| No. | Emission Unit Description | Citation | 1 01141411(0) 2111 | Rated Capacity |
| 47 | Natural gas fired space heaters (Plant 2 | 9 VAC 5-80-720 | Criteria Polluta | |
| 48 | (4) Metallizing Units (Plant 2) | 9 VAC 5-80-720 | None | |
| 49 | Caustic Soda Cleaning Baths | 9 VAC 5-80-720 | None | |
| 50 | Laboratory Hoods in Plant 2 | 9 VAC 5-80-720 | VOCs | |
| 51 | Natural gas-fired dryers for Dye Lines | 9 VAC 5-80-720 | Criteria Polluta | <10 MMBtu/hr |
| 52 | Manual Solvent Cleaning | 9 VAC 5-80-720 | VOCs | <5,000 lbs solvent |
| 53 | Natural gas fired industrial air system sheaters (Plant 2) | 9 VAC 5-80-720 | Criteria Polluta | 1.3 MMBtu/hr |
| 54 | Natural gas fired radiant space heaters 2) | 9 VAC 5-80-720 | Criteria Polluta | <10 MMBtu/hr |
| 55 | Water-based parts washer (one in each | 9 VAC 5-80-720 | VOCs | 30-gallon units |
| 56 | Propane storage tank (Plant 2) | 9 VAC 5-80-720 | VOCs | 500 gallon capacity |
| 57 | Rag Compactor (Plant 2) | 9 VAC 5-80-720 | VOCs | |
| 60 | Natural gas fired radiant space heaters 1) | 9 VAC 5-80-720 | Criteria Polluta | <10 MMBtu/hr each |
| 61 | Natural gas fired dryers – Lines 24, 26 29, 30, 31, 32, 33 & 34. | 9 VAC 5-80-720 | Criteria Polluta | <10 MMBtu/hr each |
| 63 | Diesel fired emergency water pump at 2 | 9 VAC 5-80-720 | Criteria Polluta | 157 hp |
| 63 | Diesel fuel tank for emergency water p | 9 VAC 5-80-720 | Criteria Polluta | 200 gallons |
| 64 | Lathe lubricating oil use | 9 VAC 5-80-720 | None | |
| 011 | Natural gas fired boiler for Dye Line N | 9 VAC 5-80-720 | Criteria Polluta | 4.0 MMBtu/hr |
| 007T | Ethylene Glycol Storage Tank | 9 VAC 5-80-720 | HAP | 236 gallons |
| 007T | Ethylene Glycol Storage Tank | 9 VAC 5-80-720 | HAP | 236 gallons |
| | Ethylene Glycol Storage Tank | 9 VAC 5-80-720 | HAP | 236 gallons |

CONFIDENTIAL INFORMATION

The permittee did not submit a request for confidentiality. All portions of the Title V application are suitable for public review.

PUBLIC PARTICIPATION

The draft/proposed permit was advertised for public notice in the Martinsville Bulletin on ENTER DATE. The required 30-day public notice period ended on ENTER DATE.

The EPA 45 day concurrent review period was ENTER DATE through ENTER DATE. ENTER comments were received.

This permit was advertised for *concurrent review*.